Bernama - Govt May Launch Stimulus Package To Deal With Effects Of Coronavirus – Lim

Thursday, Jan 30 2020

KUALA LUMPUR, 30 JAN --The government is evaluating the need for an economic stimulus package and is ready to launch the measures to deal with the effects of the 2019 novel coronavirus if necessary, Finance Minister Lim Guan Eng said.

He said it is still early for the government to take the action as it needs to study and analyse the extent of the impact of coronavirus.

"What is important is that we must focus and support the efforts and measures taken by the Ministry of Health to keep the people safe and free from the virus," he told a press conference here today.

Lim said in fact, prior to the coronavirus outbreak, the government had already planned measures to address the US-China trade war by introducing an economic stimulus package.

He said the government may bring forward the package due to the virus outbreak if necessary.

Asked if the government plans to revise the country's fiscal policy as what had been decided by Thailand following the coronavirus outbreak, Lim said Malaysia needs to 'wait and see'.

"Thailand attracts about 11 million tourists from China, far greater than Malaysia, which receives about two to three million of China tourists. So, the impact on their economy will be higher compared to us (Malaysia)," he said.

According to a report, Thailand's Fiscal Policy Office (FPO) has downgraded Thailand's economic growth outlook to 2.8 per cent this year and 2.5 per cent last year after taking into account the impact of the deadly virus epidemic and the further delay in the annual budget bill for fiscal 2020.

Meanwhile, World Bank Group vice-president for East Asia and Pacific Region Dr Victoria Kwakwa, who joined the press conference, said as a

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global development institution, the institution is closely monitoring and working closely with various parties, including the United Nations to track its impact, as well as offer technical and analysis support to China and other countries in the region.

"We are also sharing information of the global experience in the past such as severe acute respiratory syndrome (SARS) and is beginning to look into the economic impact of coronavirus," she said.

Earlier, Lim said the government has reached a mutual agreement with the World Bank Group to extend the work of the World Bank Group's Global Hub in Kuala Lumpur for an additional five-year period from 2021 to 2025.

He said the hub, which employs 50 people, of whom half are Malaysians, will assist Malaysia's transformation into the digital economy while helping to sharpen the focus on sustaining the development of conventional and Islamic financial system as well as retain good governance.

Kwakwa said as part of the extension agreement, it will rename its office to 'Inclusive Growth and Sustainable Finance Hub' in July 2020. "We will also continue to focus on supporting Malaysia's inclusive growth ambition towards greater levels of shared prosperity and high-income nation status," she said.

Another focus area will be promoting Malaysia's global leadership role in sustainable finance.

Malaysia, which became a member of the World Bank in 1958, first signed agreements with the institution to establish a knowledge and research hub on Jan 27, 2015.

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